

Message Text

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PAGE 01 CASABL 00012 061735Z

43

ACTION EB-07

INFO OCT-01 NEA-09 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-01 SSO-00

NSCE-00 INRE-00 PA-01 PRS-01 USIE-00 /080 W

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O R 061100Z JAN 75

FM AMCONSUL CASABLANCA

TO SECSTATE WASHDC IMMEDIATE 3234

INFO AMEMBASSY RABAT

LIMITED OFFICIAL USE CASABLANCA 0012

E.O. 11652: N/A

TAGS: EINV ENRG EIND MO

SUBJ: ESSO REQUISITIONED BY GOM

REF: CASABLANCA 1118

1. ESSO MAROC WAS "REQUISITIONED" BY GOM ON FRIDAY AFTERNOON, JANUARY 3, IN LEGAL MOVE THAT MAKES SNPP PRO TEM CUSTODIAN AND OPERATOR OF ESSO ASSETS. DOUEIB AND OTHER SNPP OFFICIALS SHOWED UP AT ESSO OFFICES WITH TWO DOCUMENTS: ORDER BY MINCOMMERCE CLOSING DOWN ESSO OPERATIONS IN CONFORMITY WITH MOROCCANIZATION DAHIR, AS NOT IN COMPLIANCE WITH DAHIR AS OF 31 DECEMBER; AND SECOND ORDER, BASED ON FRENCH PROTECTORATE LAW OF 1918, SIGNED BY PM, AUTHORIZING SNPP TO TAKE OVER AND OPERATE PHYSICAL ASSETS IN ORDER TO AVOID HARDSHIP TO ESSO CUSTOMERS.

2. APPARENT EFFECT OF TWO-STEP ACTION IS TO LEAVE ESSO AS CONTINUING LEGAL ENTITY BUT WITHOUT ASSETS OR OPERATIONS; AND TO CONTINUE OPERATIONS UNDER SNPP MANAGEMENT BUT
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PAGE 02 CASABL 00012 061735Z

WITHOUT, AT THIS TIME, ANY CONNOTATION OF EXPROPRIATION

OR NATIONALIZATION. ESSO EMPLOYEES REMAIN IN PLACE EXCEPT SKANE REPLACED AS DIRGEN BY FORMER SHELL EXEC BOUTALEB (WHO RECENTLY JOINED SNPP). SKANE, HOWEVER, REMAINS ON THE JOB TO CONSULT AND ADVISE AS NEEDED. LOGIC OF ACTION, TWO-STEP LEGAL APPROACH, AND CHARACTER OF "REQUISITION" LAW UTILIZED ALL CAST THIS IN CONTEXT OF EMERGENCY ACTION TO MAINTAIN ESSENTIAL PUBLIC SERVICE. PROTECTORATE 1918 LAW UTILIZED IS PLAINLY OF THIS NATURE. LAW PROVIDES FOR INDEMNITY TO ESSO FOR ANY DAMAGE OR LOSS SUFFERED FROM REQUISITION.

3. AT TIME OF TAKEOVER DOUEIB MADE CLEAR GOM HOPES TO CONTINUE NEGOTIATION FOR SETTLEMENT AND SKANE EXPRESSED SAME INTENT ON PART OF ESSO. SKANE ASSURED DOUEIB THAT HE AND ESSO WOULD COOPERATE FULLY IN KEEPING OPERATION GOING INCLUDING WHATEVER SERVICES BY HIMSELF AND ESSO STAFF DESIRED. TRANSACTION ACCOMPLISHED, SKANE SAYS, IN AMICABLE ATMOSPHERE. ESSO HAD, IN FACT, ANTICIPATED THAT ONLY TWO OPTIONS FOR GOM IN ABSENCE OF AGREEMENT WERE EITHER FORMALLY POSTPONE APPLICATION OF DAHIR TO ESSO OR TO REQUISITION AND ESSO NOT SURPRISED BY LATTER CHOICE. ACCORDING TO SKANE, THEY REGARD THIS HOPEFULLY AS NO BLOCK OR PREJUDICE TO CONTINUED NEGOTIATION AND ESSO STILL HOPEFUL OF SETTLEMENT. NEVERTHELESS, WE SEE NO INDICATION THUS FAR OF SIGNIFICANT CHANGE BY EITHER SIDE ON BASIC SUBSTANTIVE ISSUES. WHILE ESSO WILL TRY TO DEFER RAISING ISSUE RE USE OF ITS TRADEMARK AND PRODUCTS, SKANE SAYS QUESTION WILL COME TO A HEAD IN FEW WEEKS IN TERMS OF RESUPPLY OF SPECIAL LUBRICANTS, CHEMICALS, ETC. WHICH ESSO IMPORTS AND OF CONTINUED USE OF ESSO NAME ON RETAIL OUTLETS.

4. BOTH ESSO AND OTHER INDUSTRY SOURCES TELL US DECISION TO REQUISITION WAS MADE BY KING HIMSELF, ALBEIT RELUCTANTLY. QUASI-OFFICIAL PRESS (LE MATIN AND MAROC SOIR) HAS CONFINED ITSELF TO BAREST FACTUAL REPORTING OF TAKEOVER, WITH NO RHETORICAL OVERTONES.

5. GOVERNMENT ORDERS AND TEXT OF LAW ON WHICH BASED BEING POUCHED.
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PAGE 03 CASABL 00012 061735Z

BRUBECK

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Message Attributes

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